

The Lula government and the “new ruling class”

The definitive bankruptcy of centrism in Brazil

Hector Benoit
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When the Workers Party (PT) of Brazil’s President Luiz Inácio Lula da Silva began to win mass support among workers, beginning with the big metalworkers’ strikes of 1978-80, many so-called “Marxist” intellectuals maintained that we would finally see a “legitimate” workers’ party.

Finally, they said, Marxism would break free of the “authoritarian Leninist sects” and a democratic socialist party would arise—one which would be rich in its diversity, its respect for democracy, its transparent activity, and its creativity in finding new roads to the country’s socialist transformation.

In fact, since the end of the 1980s, the PT has totally distanced itself from the “sects” that assisted in its birth. It began to elect deputies, with ever-greater majorities in each election, to win control of city governments, then of state governments and finally, in 2002, it took control of the federal government with the victory of Lula as president of the republic.

But what was happening during this 26-year evolution? Arising within the party was a dominant tendency known as “Articulation,” concentrated in large part in the figure of José Dirceu, an ex-Stalinist and able man of the party machine, who assembled and organized a real party caste based, above all, on the union bureaucracy (particularly in the banking and metalworking sectors) and on the few intellectuals (ever diminishing in number) who still remained within the party.

Since 1980, the party’s trajectory towards its present catastrophe could be foreseen by any careful observer. Money from the union funds and city governments controlled by the PT began to flow into the party’s coffers, financing its campaigns, paying for its election workers and winning more and more votes, more and more elections. Besides this, a growing number of

corporations and capitalists began to contribute to those who now appeared as the new owners of power.

Obviously, by the time Lula won the presidential elections in 2002, the bank accounts and the lifestyles of the leading layer of the PT had changed substantially, but the true dimensions of this change were still not known. I remember when Florestan Fernandes, one of the few intellectuals and deputies of the party who never betrayed his original convictions, once told me (still at the end of the 1980s) with clear indignation, “[José] Genoíno [then a federal deputy] only wears English tropical wool suits!”

But Florestan, who died as PT member, had the good fortune not to see what happened after Lula came to power: an advisor to Genoíno’s brother—also a deputy—being seized at an airport with \$100,000 hidden in his underwear, suitcases full of money being paid to deputies and multimillion-dollar loans being taken out, without any guarantees, by Genoíno (by then national president of the PT) and Delúbio Soares (party treasurer); Marcelo Sereno and Sílvio Pereira (senior party leaders), as well as the communications minister, Luiz Gushiken, involved in the diversion of state contributions to pension funds; Finance Minister Antonio Palocci falling after revelations concerning scandals involving payoffs and prostitutes and for violating the confidentiality of the bank account of a humble caretaker; finally, Lula’s former chief of staff, José Dirceu, and virtually the entire PT leadership being formally charged last week with creating a “sophisticated criminal organization” for the purpose of staying in power.

But what does such a trajectory by this party represent from the Marxist standpoint? We think that it expresses a very precise evolution that was foreseeable from the beginning—that is, from 1980 onwards. In that period, the PT was presented by its ideologues as a centrist

alternative, as a democratic and non-Leninist form of party organization. They openly rejected the formula of “the dictatorship of the proletariat” and proposed a popular-democratic path to socialism. The party’s “democratic” theoreticians (Álvaro Moisés, Weffort, Marilena Chauí, Marco Aurélio Garcia, among others) developed an ideology based upon the victory of the “citizenry” and the categorical emphasis on “democracy” as the wide road to “Brazilian socialism.”

But, as Trotsky stated several times in his *Permanent Revolution*, those centrist parties of the petty-bourgeoisie that do not clearly align themselves with a political project that is led by the proletariat will inevitably, despite various vacillations, end up in the arms of finance capital. Trotsky, in one passage of this vital work, warned, “The economic structure of capitalist society is such that the ruling forces in it can only be capital or the proletariat which overthrows it. There are no other forces in the economic structure of that society.”

This prognosis found concrete vindication in the experience of the PT. To advance on its “democratic path to socialism” it created an enormous party apparatus, founded first on the trade union bureaucracy, which little by little found the means for reaching its “democratic” aims. But these means were more and more turning into bourgeoisie those, like Lula, who in an earlier period were workers. When, in 2002, it finally came to power the PT was already clearly a petty-bourgeois party, whose working class roots had long since been torn out through multiple bourgeois elections and financial contributions from big capital.

But this was merely the beginning. The party, as could be foreseen with a Marxist analysis, was to finally ally itself, in an open and direct manner, with finance capital. This alliance, however, would have such a dimension that the entire hierarchy of the trade union bureaucracy transformed itself into a true new “class,” or more precisely, a new bourgeois layer at the service of financial capital.

Despite achieving nothing of significance, outside of making the country’s economy grow below the median growth levels for Latin America and the world as a whole, the government of the Workers Party managed one great feat: in the short space of three years after taking office in January 2003 it created 37,543 new public positions, which represents an increase of 7.72 percent over the contingent of active civil servants that President Luiz Inácio Lula da Silva inherited when he became president. Just two weeks ago, through a provisional measure (i.e. a

dictatorial method that imposes the will of the executive power upon the Brazilian congress), Lula still managed to approve the creation of yet another 4,175 posts for the Defense, Transport, Development and Health ministries.

The increase in hiring in the public sector, far from signaling a leftist or socialist tendency on the part of the Lula government, expresses the assault on the Brazilian state conducted by this “new class”—the trade union bureaucracy upon which the PT based itself at the time of its origin in 1980. Among the new posts created, 2,268 are confidential positions within the federal administration that come with the highest salaries, all filled by PT members or their direct allies. Of the other 35,000 new posts that require increased public funding, it is not unlikely that “friends of the PT” occupy the significant majority.

This tendency is reinforced by the choice that is made regarding in what precise regions these jobs are created. For example, among the number of new university positions, the greatest share has been given to the University of ABC, with 1,911 posts. What is involved is the creation of an entirely new federally funded university, precisely in the area where the PT was born, where Lula began his political work, and which boasts the greatest number of “*companheiros*”—including federal deputies like Professor Luizinho, Vicentinho, Menegheli and other ex-union bureaucrats, today loyally allied with finance capital.

As to the strength of this alliance between the union bureaucracy and finance capital, there is no room for doubt. The recent balance sheets presented by the principal banks operating in the country recorded the largest and most fantastic profits in their entire history, contrasting visibly with the rest of the country’s economy which, as we stated, grew significantly below the median for Latin America and the world as a whole.

Lula and the PT bureaucracy within the trade union federation linked to the party, the CUT, control the masses and impose the highest taxes and interest rates in the world; in return, finance capital guarantees them posts, high salaries, and control over public funds.

There you have a brief history of the PT and the “democratic” road to socialism.



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